

Executive Summary

HIGHER EDUCATION GOVERNANCE STRUCTURE

In October 2010, the Legislative Program Review and Investigations Committee formally approved undertaking a two-part study related to higher education: 1) Connecticut's higher education governance structure, and 2) certain administrative functions of the Connecticut State University System. This report focuses on part one of the study: higher education governance. It describes the state's current and historical governance structure for higher education, compares other types of governance models to Connecticut, examines best practices, and provides findings and recommendations. It should be noted that the committee staff collaborated with the Office of Legislative Research in developing the legislative history of higher education governance.

Methodology. Higher education governance is concerned with the oversight and management of public colleges and universities. Given the study's brief time frame, the committee did not complete a full performance audit of the Department of Higher Education or of the higher education system. Consequently, the findings and recommendations are limited in number and scope.

The committee relied on a variety of methods to form its conclusions about the state's system of governance:

- interviewing all public higher education constituent unit board chairs and leaders, including the Board of Governors for Higher Education (BGHE) and the Department of Higher Education (DHE), regarding system strengths and weaknesses;
- reviewing the legislative history of the higher education statutes;
- considering various state government reform commission recommendations;
- reviewing extensive national literature on higher education organization, governance structure, history, philosophy, and practices; and
- consulting with national experts on trends and best practices in higher education governance.

Based on this research, the program review committee questions whether Connecticut's current structure and policies effectively provide the state policy leadership and accountability mechanisms necessary to meet the state's needs.

How is Connecticut's system structured? Connecticut public postsecondary institutions are governed by boards of trustees, while state policies and coordination are the responsibility of the Board of Governors of Higher Education. In examining the history of higher education governance in Connecticut, the committee noted that reorganization of the state's public higher education system has been considered many times over the last several decades but rarely implemented. Generally, these proposals reflect a struggle – common across

the country – to find a balance between autonomy for the individual higher education institutions and oversight by the state coordinating board.

Several studies published in the 1970s and early 1980s called for greater centralization or consolidation of various units of the state’s postsecondary institutions. In part due to these studies, the Board of Governors gradually gained power. This shift was called into question by a few reviews in the early 1990s, which recommended giving the constituent units more control over day-to-day matters. These reviews resulted in 1991 laws that returned budget, fiscal, and staffing authority to the constituent units’ boards of trustees.

What is the best governance structure? There are many different ways of structuring higher education governance, with most states categorized as having either a statewide coordinating board – as Connecticut does – or a consolidated governing board. Neither type of board is generally agreed to be the best; structures generally develop as a result of a state’s particular political and historical characteristics. Experts agree that an effective system’s governance aligns with the state’s higher education priorities and is responsive to the state’s needs, among other characteristics. States viewed by experts as making progress on higher education performance have implemented high-profile, data-informed efforts to address state problems.

How are Connecticut’s structure and policies performing? Based on its examination of the higher education system, the program review committee found that state policy leadership and accountability mechanisms have been lacking. The current system has had certain successes but has not concretely helped advance the state’s overall public interests of increased educational attainment, elimination of the achievement gap, or sufficient accountability.

Continued failure to address these and other public needs poses risks to the state’s economic competitiveness and system efficiency. An accountability system based on statewide needs, strategies to address those needs, and performance incentives has not been a priority. Although the Board of Governors for Higher Education should be the body to lead a comprehensive planning and accountability effort as described in the recommendation below, it does not have the standing needed, as this undertaking requires a higher profile with a broader group of participants.

What does the committee recommend? A leadership group should develop a public agenda for higher education. This effort involves: assessing the state’s higher education needs; creating strategies to meet these needs; setting goals and monitoring progress; and recommending changes to finance and other policies to better align them with the state’s goals.

RECOMMENDATION

A public agenda for higher education shall be developed that includes: statewide goals based on identified state needs; provisions for the development of strategies and monitoring of performance measures to achieve those goals; and incentive funding to ensure that goals are met.

This should be accomplished by the appointment of a leadership group made up of 14 members and be appointed by the governor (seven appointees) and the six legislative leaders (one appointee each) from among various individuals from business, the executive and legislative branches of government, and education. The commissioner of the Department of Higher Education or designee shall be an ex officio, non-voting member. None of the appointed members should be employed by or on the board of any constituent unit or private higher education institution. The governor shall select the chair. The leadership group shall:

- a. develop a public needs report, based on an analysis of data that describes:
 - i. the current and projected condition of the state over the next 20 years in terms of education, workforce, social, and economic needs. Such analysis will consider: population and demographic trends; economic and workforce conditions and needs; state of college preparation; extent of postsecondary access, completion, and affordability; student learning options; and education finance;
 - ii. where changes and improvements need to take place to meet the needs; and
 - iii. specific responsibilities of both public and private higher education institutions in meeting the state's needs and priorities. Such analysis should recognize and reinforce differences in constituent unit missions and capacities.
- b. develop a higher education policy audit report that assesses the extent to which current policies contribute to or inhibit the state's ability to meet the needs identified in the public needs report;
- c. engage stakeholders, including the constituent units and private colleges, and solicit feedback on the public needs report and policy audit;
- d. use the above analysis and feedback to develop a public agenda priorities report, which shall include specific strategies as well as measureable and quantifiable objectives and interim benchmarks to address each priority;
- e. analyze and produce a finance report on current financing policies, practices, and accountability to determine how:
 - i. to align them with priorities of the public agenda;
 - ii. current state funding practices can be improved to support the public agenda, including the development of a finance model for the allocation of state appropriations among the constituent units that includes a base amount and the use of performance-based incentive funding for at least a portion of the allocation;

- iii. constituent units' expenditures, staffing, and state support - including the block grant, administrative expenses, personnel fringe benefits, capital improvement bonds, and state financial aid to students - will be consistently and periodically reported to the legislature and the public in a clear, concise, and thorough manner; and
 - iv. examine if current student financial aid policies ensure that scarce resources are producing desired results and support the public agenda.
- f. present the public agenda priorities and finance reports to the governor and General Assembly by January 31, 2012.

The Department of Higher Education shall be responsible for monitoring and reporting annually to the General Assembly on progress in implementing the public agenda by constituent unit, by public higher education institution, and for the state as a whole. Beginning no more than ten years after development of the initial public agenda priorities report and minimally at every ten year interval thereafter, the Board of Governors for Higher Education shall reanalyze the education, workforce, social, and economic trends described above, compare the trends to the stated goals of the public agenda, and revise the statewide goals and strategies to meet emerging needs as necessary.